

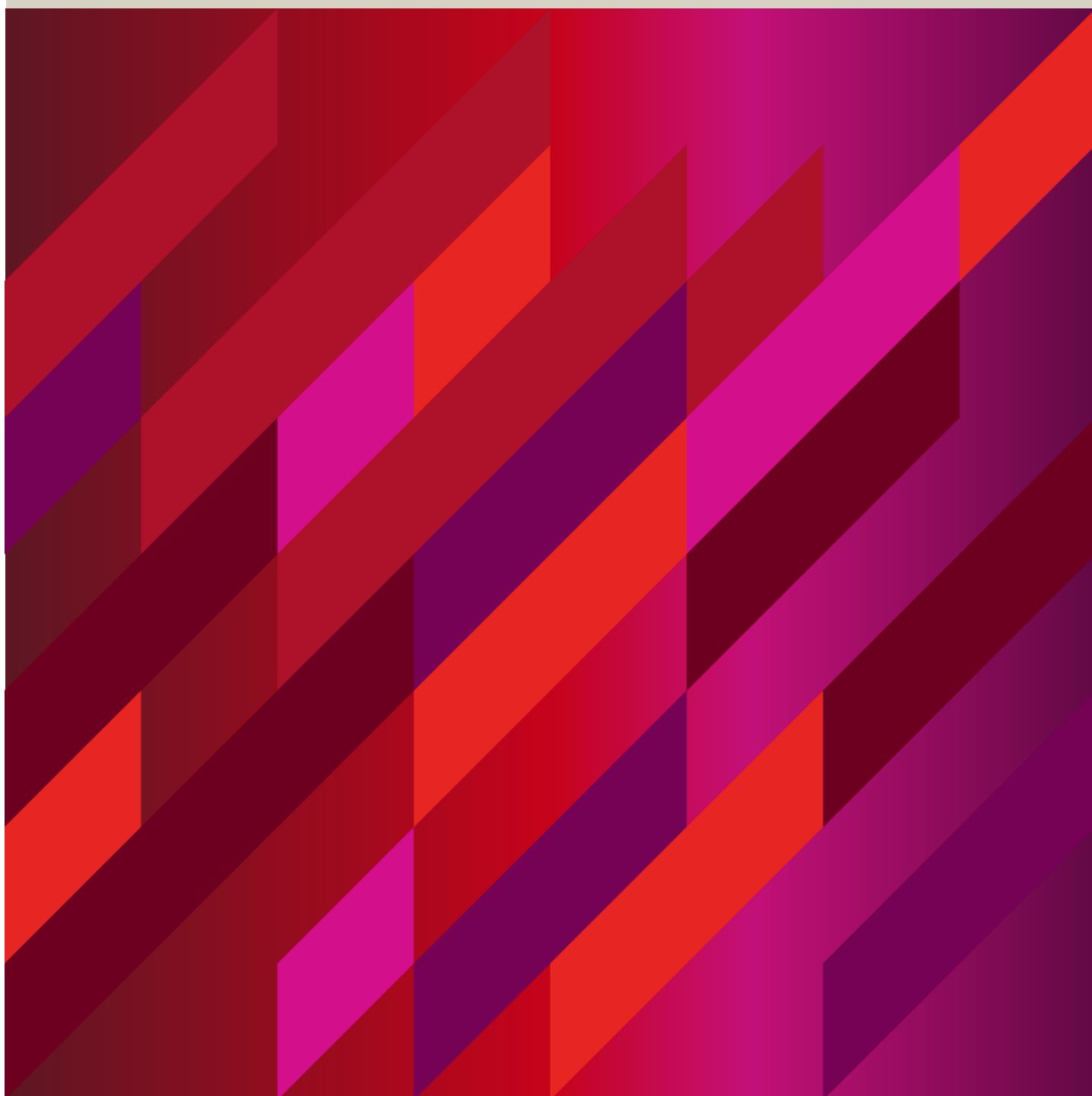


# Australian authors

## INDUSTRY BRIEF NO. 3: AUTHORS' INCOME

The Australian book industry: Authors, publishers and readers in a time of change

October 2015



The Australian Book Industry: Authors, publishers and readers in a time of change' is a three-year research project led by Prof. David Throsby, funded by the Australian Research Council under Discovery Project grant DP 140101479 and Macquarie University. In February 2015 the researchers conducted an online survey of over 1,000 Australian book authors.

## AUTHORS' AVERAGE GROSS INCOME

An important contribution of this research is to collect data that have not been the focus of detailed analysis in the past. As a result, drawing together data on authors' income from a range of sources is a key aim of the 2015 authors survey. Prior to administering the survey, a number of authors' associations provided feedback on the research design to assist us in obtaining high-quality responses for independent analysis in relation to this sensitive topic.

Overall a high number of the respondents (979) provided details about their income in the 2013/2014 financial year. Table 1 presents the average gross income for a typical author in the 2013/2014 FY by genre and source of income. The average total income for authors, including all sources of income, is \$62,000 and the average income derived from practising as an author is \$12,900.

**Table 1 – Average gross income in 2013/2014 financial year: thousand Australian Dollars**

	Literary Fiction	Genre Fiction	Children's	Creative Non-fiction	Other Non-fiction	Poetry	Sub-total (trade)	Education	Scholarly	Total (All authors)
<b>Income from practising as an author</b>	13.4	15.2	14.7	12.2	9.2	4.0	12.5	16.3	11.2	12.9
Royalties	4.1	4.3	2.5	3.3	1.9	0.4	3.1	9.5	3.1	4.1
Advances	3.9	5.3	3.8	1.2	1.1	0.1	3.2	0.7	0.2	2.6
Revenues from self-publishing	0.2	2.6	0.3	0.4	0.4	0.2	1.2	1.3	0.0	1.1
PLR/ELR	0.5	1.1	3.6	1.3	0.2	0.2	1.2	1.1	0.1	1.1
Copyright payments from CAL etc.	0.1	0.1	0.6	0.4	0.2	0.1	0.2	1.4	0.3	0.4
Grant/Commission	1.8	0.4	0.2	1.4	0.3	0.5	0.7	0.0	0.5	0.6
Payment from an educational institution	0.6	0.4	0.3	0.5	0.4	0.8	0.5	0.2	2.1	0.6
Salary/wages from working as an author	0.0	0.1	0.3	1.8	2.6	0.1	0.6	1.0	3.4	1.0
Other income from practising as an author	2.2	1.0	3.2	1.8	2.1	1.6	1.7	1.0	1.4	1.6
<b>Income from another occupation related to writing</b>	18.8	7.4	8.1	11.6	11.8	17.5	11.1	14.7	37.6	14.3
<b>Income from creative practice in another field</b>	2.3	5.4	3.2	1.4	4.0	2.1	3.7	2.2	3.7	3.5
<b>Income from occupation unrelated to writing</b>	17.5	19.6	12.2	15.8	21.6	17.5	17.9	31.5	22.0	20.3
<b>Other income</b>	6.2	6.0	7.6	16.9	10.0	9.8	8.6	15.8	21.1	10.9
<b>Total income</b>	58.2	53.7	45.8	58.0	56.7	51.0	53.8	80.4	95.7	62.0
<i>N</i>	87	276	98	95	98	85	739	143	97	979

Average incomes for professional Australian book authors are modest, with some variation according to specialisation. Generally, authors' income from their creative practice is much lower than their total income, demonstrating that most authors rely on income from other sources as a substantial part of their livelihood.

## BREAKDOWN OF AUTHORS' AVERAGE INCOME FROM THEIR PRACTICE AS AN AUTHOR

Still referring to Table 1, we analyse authors' average income from *practising as an author* in detail. Income from royalties is a relatively well-understood aspect of authors' income from their books. The highest average income from royalties across the genres in 2013-2014 was received by education authors (\$9,500), who earned nearly twice the level of the next highest average royalty incomes, genre fiction authors (\$4,300), followed by literary fiction authors (\$4,100). The lowest average income from royalties is by poets (\$400), reflecting the modest size of commercial markets for sales of poetry.

Advances are paid when a publisher contracts with an author to publish a work prior to the provision of the manuscript. The highest average income from advances is earned by authors of genre fiction (\$5,300), with the lowest received by poets (\$100) and scholarly authors (\$200). Authors of genre fiction also report the highest average revenues from self-publishing (\$2,600), with the next highest revenues received by education authors (\$1,300). (As discussed in Industry Brief No. 8: Authors and Publishers, nearly one third of genre fiction authors have self-published a book during their career, the highest proportion of all authors.)

Public Lending Right (PLR) and Educational Lending Right (ELR) payments are made to authors by the Australian government for the use of their work in public libraries and libraries in educational institutions. The highest average revenues from PLR/ELR payments are to children's authors (\$3,600), which are significantly higher than the average payments to other types of authors. The Copyright Agency provides payments to Australian authors whose work is widely copied for use in schools and other educational organisations. Education authors receive the highest average copyright payments from the Copyright Agency and other copyright organisations (\$1,400), followed by children's authors (\$600).

Other sources of income relating to authors' practices include grants and commissions, salary or wages from working as an author and other related work, including live appearances and workshops. Literary fiction authors earn the highest average income from grants or commissions (\$1,800), followed by creative non-fiction authors (\$1,400). Scholarly authors earn the average highest salary/wages from working as an author (\$3,400), followed by creative non-fiction authors (\$2,600). Children's authors have the highest average income from other work related to their practice as an author (\$3,200).

Turning to other sources of income not related to an author's own creative practice, scholarly authors have the highest average income from another occupation related to writing (\$37,600), followed by authors of literary fiction (\$18,800) and poets (\$17,500). Genre fiction authors have the highest average income from creative practice in another field than writing (\$5,400), and education authors have the highest average income from an occupation unrelated to writing (\$31,500).

## OTHER SOURCES OF AUTHORS' INCOME

Table 2 presents the other sources of income that authors rely on 'to make ends meet'. Nearly half of all authors supplement their creative practice/s as a writer with income from a job that is unrelated to being an author. Another important source of income is from an author's partner (37.3%). One quarter of authors work in a job that is related to being an author but does not directly lead to the production of a creative work. A smaller proportion of authors rely on credit card debt, unemployment or other government benefits and loans from a family member or a friend.

**Table 2 – During the 2013/2014 financial year did you rely on any of these sources of money to make ends meet? (If appropriate please choose more than one option)**

	%
The income of your partner	37.3
Loans from a family member or friend	7.5
Short term loans from a financial institution	1.8
Small business loan from a financial institution	0.7
Credit card debt	14.8
A job that is unrelated to being an Author	47.3
A job that is related to being an Author but does not directly lead to the production of a creative work	25.7
Unemployment benefit/s or other govt. benefits	13.9
Other	20.6
<i>n</i>	869

## SPREAD OF INCOME WITHIN GROUPS OF GENRES

The researchers also analyse the spread of income within the genres by examining the *range of incomes within a particular group of genres*. Table 3 presents the average earnings – including all sources of income - by the highest-earning 25% of authors<sup>1</sup>, the median income, and the average earnings among those authors whose earnings are in the lowest 25%.

**Table 3 – Authors’ income: breakdown income in the 2013/2014 FY (thousands of \$)**

Type of Income	Percent of sample	Literary Fiction	Genre Fiction	Children's	Creative Non-fiction	Other Non-fiction	Poetry	Sub-total (trade)	Education	Scholarly	Total (All authors)
Total Income	Top 25%	85.0	75.0	75.0	75.0	75.0	75.0	75.0	110.0	130.0	85.0
	Median	50.0	35.0	35.0	45.0	45.0	35.0	45.0	75.0	85.0	55.0
	Bottom 25%	25.0	15.0	15.0	25.0	25.0	15.0	20.0	45.0	55.0	25.0
Income from practising as an author	Top 25%	9.0	11.1	14.0	6.6	8.8	4.9	9.6	16.5	7.5	10.0
	Median	2.9	2.5	6.3	1.6	3.0	1.3	2.5	4.5	1.9	2.8
	Bottom 25%	0.5	0.4	0.9	0.0	0.1	0.1	0.4	0.7	0.0	0.4

When all sources of income are taken into account, the highest average earnings among the top 25% of income earners are by scholarly and education authors, who earn an average of \$130,000 (scholarly authors) and \$110,000 (education authors). The next highest category is literary fiction authors with an average for the top 25% of earners of \$85,000. The average of the highest-earning 25% from all of the other genres is \$75,000. (This analysis does not account for the stage of the authors’ careers. Industry Brief No. 2: ‘Demographics of Australian Book Authors’ notes that a higher proportion of education and scholarly authors consider themselves to be at an established stage of their career.)

There is greater variation in the median – or mid point - income of authors across the various genres. Once again, the highest total average income is received by scholarly authors (\$85,000), followed by education authors (\$75,000). The next highest average total income is received by literary fiction authors (\$50,000), followed by creative non-fiction and other non-fiction authors (\$45,000). The remaining categories of author have a median estimate of \$35,000. Apart from scholarly and education authors, authors’ average incomes shown in Table 1 and the median estimates in Table 3 are below ABS annual estimates of average earnings for this period (based on the Australian average weekly earnings for May 2014<sup>2</sup>).

When we consider authors in the lowest quartile of earnings including all sources of income, scholarly and education authors are the best placed: \$55,000 for scholarly authors and \$45,000 for education authors. This is followed by authors of literary fiction, creative non-fiction and other non-fiction (\$25,000 each) and then authors of genre fiction, children’s and poetry (\$15,000 each).

Importantly, these figures do not compare whether authors are working full-time or part-time. If a higher proportion of authors in a particular category work full-time, the findings will be affected.

Next we consider authors’ average income derived only *from their practice as an author* in the second part of Table 3. These figures are significantly lower across all the genres than authors’ total income. The highest average earnings from practising as an author for the top-earning 25% of authors are by education authors (\$16,500), children’s authors (\$14,000) and genre fiction authors (\$11,100). The lowest average earnings received by the top 25% of earners in a genre

<sup>1</sup>As noted earlier, the highest possible total income for authors is calculated at \$250,000 according to the methodologies used in this research. This may underestimate the income of a very small number of high-earning authors, but the methodology enables us to look at the spread of authors’ earnings with some confidence.

<sup>2</sup> The comparison is based on ABS data: 63060DO011\_201405 Employee Earnings and Hours, Australia, May 2014. We calculated \$61,485 as the average annual earnings for the 2013-14 FY based on these data.

are associated with poets, that is, the highest-earning quarter of Australian poets earn, on average, \$4,900 from their practice as an author.

Not surprisingly, we can see a broad spread of incomes from highest to lowest within any group of genres, but at the lowest end of the income range the figures are extremely modest for all types of authors.

## AUTHORS WHO EARN MORE THAN THE AVERAGE AUSTRALIAN WEEKLY INCOME INCLUDING ALL SOURCES OF INCOME

There are plans for in-depth analysis of the factors that are associated with higher income by authors, so the observations in this brief are preliminary and limited in scope. However, to investigate the broad range of authors' income in the findings further, we analyse data for authors whose total income is higher than the average Australian annual income of \$62,000 in the 2013-14 FY. Table 4 shows that 43% of authors earn above the average annual income. This is particularly the case for scholarly (67.7%) and education (65.3%) authors. However, slightly less than two thirds of all trade authors earn less than the average annual income for this period, taking into account all sources of income.

Next, we consider authors who earn \$101,000 or more in the 2013-14 FY, including all sources of income. Nearly one-fifth of authors (18.2%) receive this level of income. Once again, the highest proportion in this band of income is among scholarly (44.4%) and education (26.5%) authors, followed by literary fiction (15.7%), creative non-fiction and other nonfiction authors.

Finally in relation to Table 4, we examine the proportion of authors in the highest income band of \$200,000+, taking into account all sources of income. The highest representation is by education (4.8%) and scholarly authors (4%), followed by literary fiction (3.4%) and genre fiction (2.5%).

**Table 4 – Proportion of authors with total income greater than the average Australian weekly income in the 2013/2014 FY (percent)**

	Literary Fiction	Genre Fiction	Children's	Creative Non-fiction	Other Non-fiction	Poetry	Sub-total (trade)	Education	Scholarly	Total (All authors)
> \$62,000	36.0	35.1	31.3	38.8	38.9	32.1	35.3	65.3	67.7	43.0
> \$101,000	15.7	12.8	7.1	15.3	14.7	14.3	13.1	26.5	44.4	18.2
> \$200,000	3.4	2.5	2.0	1.0	1.1	0.0	1.9	4.8	4.0	2.5
<i>n</i>	89	282	99	98	95	84	747	147	99	993

## EARNINGS FROM CREATIVE PRACTICE ALONE

Table 5 provides estimates of the proportion of authors earning above the average Australian income with respect to income from their creative practice alone. These figures are substantially lower for all types of authors than authors' earnings from all types of income.

Less than one in twenty (4.9%) authors earn the average weekly income or higher from their creative practice as an author. Those authors who are the most likely achieve this level of income include creative non-fiction (7.1%), education, genre fiction and scholarly authors.

Fewer than 3% of all authors earn above \$101,000 from their creative practice, with education (4.1%), scholarly, literary fiction and genre fiction authors the most represented. When we consider authors who earn \$200,000+ from their creative practice, there are only two genres represented: genre fiction and education (1.4% each).

**Table 5 – Proportion of authors with income from their creative practice greater than the average Australian weekly income (percent)**

	Literary Fiction	Genre Fiction	Children's	Creative Non-fiction	Other Non-fiction	Poetry	Sub-total (trade)	Education	Scholarly	Total (All authors)
> \$62,000	4.5	5.7	4.0	7.1	3.2	0.0	4.6	6.8	5.1	4.9
> \$101,000	3.4	3.2	1.0	2.0	2.1	0.0	2.3	4.1	4.0	2.7
> \$200,000	0.0	1.4	0.0	0.0	0.0	0.0	0.5	1.4	0.0	0.6
<i>n</i>	89	282	99	98	95	84	747	147	99	993

## CONCLUDING COMMENTS

These findings reflect the diverse circumstances of Australian authors, including those who are full-time and established in this profession, those who work part-time on their writing and are at an early stage of their career, and authors who work in another occupation and who write books as part of the output associated with this role or in addition to it.

Not quite half of all authors (43%) earn the average annual income for the Australian workforce in 2013-14 or higher when all sources of income are taken into account. Although nearly one-fifth of authors work full-time at this profession, fewer than 5% of authors are able to earn the average annual income from their creative practice alone and in many cases these proceeds form a minor component of an author's total income. Even when other sources of income are taken into account the average earnings of over two thirds of trade authors is lower than the Australian average weekly earnings for the same period. However, one-fifth of authors earn \$101,000 or more in the 2013-2014 financial year. There are two categories of authors represented in the highest band of income from an author's creative practice alone: genre fiction and education authors.

One aspect of authors' income that this research does not capture is the volatility of authors' income from their creative practice from year to year. In feedback provided by survey participants on the survey questionnaire, a number of authors note that they have not yet received any royalties from their latest book. Therefore, while this survey provides a snapshot of authors' income in a particular year it does not mean that these figures are constant for individual authors. The following financial year could entail greater prosperity – or a decline in income – derived from an author's creative practice, a situation that several authors emphasise as a key characteristic of their profession.

*This industry brief is part of a series prepared for Australian book authors and other members of the Australian book industry to highlight key findings of the 2015 survey.*

*Thank you to all the authors who gave generously of their time and expertise by participating.*

The complete series of industry briefs about this survey is:

1. Key Findings
2. Demographics of Australian Book Authors
3. Authors' Income
4. Changes in the Financial Position of Australian Book Authors
5. Authors' Changing Professional Practices
6. Authors' Allocation of Time
7. Rights Sales, Translations and Piracy
8. Promotion
9. Authors and Publishers

See also the Department of Economics Working Paper, 'Book Authors and their Changing Circumstances: Survey Method and Results'.

These can be downloaded at:

<http://goto.mq.edu.au/book-industry>

